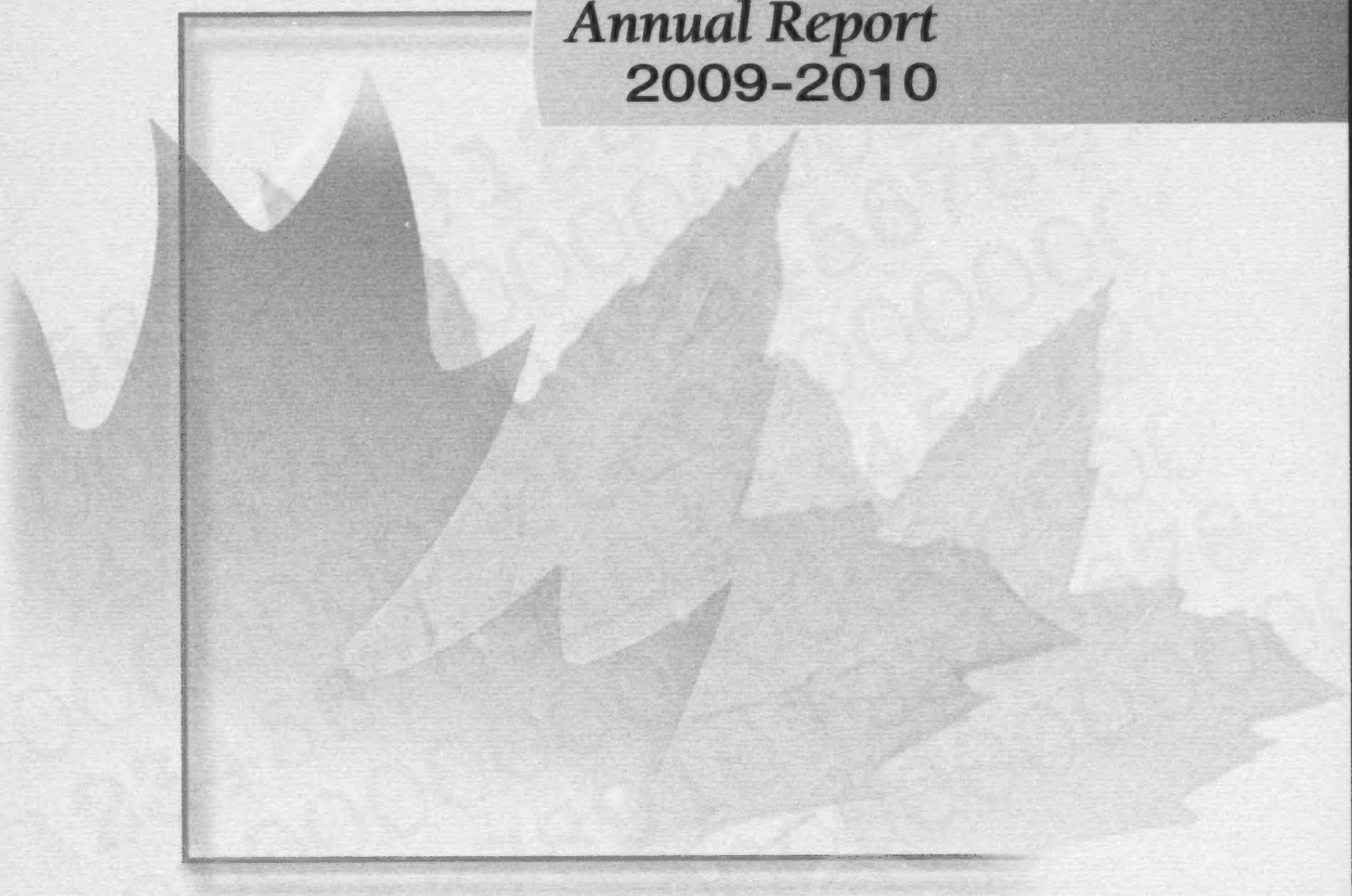
Industry Canada Industrie Canada

Canada Small Business Financing Act

Annual Report 2009-2010



Canada

The Canada Small Business Financing (CSBF) Program is a national program operating in all provinces and territories. Financial institutions make term loans of up to $500 000 to small businesses to purchase or improve real property, equipment or leasehold improvements. The Government of Canada pays lenders 85 percent of the eligible losses incurred on defaulted loans. One of the objectives of the CSBF Program is incrementality, which is the program's effectiveness in extending financing that would otherwise have been unavailable to small and medium-sized businesses, or available only under less attractive conditions. The other objective is cost recovery, which is defined as the cost of claims on defaulted loans being balanced by revenues on loans over a period of 10 years.

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Cat. No. Iu185-1/2010
ISBN 978-1-100-51686-8
IC 60777

Printed on 20% recycled paper

Minister of Industry Ministre de l'Industrie

Ottawa, Canada K1A 0H5

As Minister of Industry, I am pleased to present to Parliament the annual report on the administration of the Canada Small Business Financing (CSBF) Program for 2009–10 in accordance with section 20 of the *Canada Small Business Financing Act*.

The purpose of the CSBF Program is to increase the availability of financing for the establishment, expansion, modernization and improvement of eligible small and medium-sized enterprises (SMEs) in Canada. For nearly 50 years, the program has been helping to fill a gap in the lending market for affordable financing for higher risk SMEs, particularly start-ups.

This report outlines how Industry Canada, in cooperation with lending institutions throughout the country, has made it possible for SMEs to obtain over 7400 loans, worth more than $956 million in 2009–10. SMEs used these loans to acquire assets to start new businesses or expand existing ones thereby creating jobs and retaining employees.

The comprehensive review of the CSBF Program operations, completed this past year, demonstrated that the program continues to be a successful mechanism for facilitating asset-based debt financing to small businesses. The CSBF Program is a unique federally managed program to support access to financing by small businesses.

The Government of Canada plays a vital role in supporting SMEs since they are key drivers of our economic success. Its commitment to build a strong Canadian economy continues to be a priority.

Tony Clement

Canada

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Year at a glance 2009–10

Canada Small Business Financing Program changes.

On April 1, 2009, a number of changes to the Canada Small Business Financing Program came into effect, including:

- the maximum loan amount was increased from $250 000 to $500 000;
- the liability ceiling for each lender was increased from 10 percent to 12 percent; and
- regulatory amendments were implemented to reduce administrative burden and streamline processes.

Lenders granted small businesses loans worth more than $956 million.

There were 7441 small business loans made under the *Canada Small Business Financing Act*. The average loan size was $128 561.

Lenders were paid $113.2 million in claims.

There were 1968 claims, averaging $57 532 per claim, for loans registered during the period of 1999–2010.

Start-ups and new businesses received the largest share of available financing.

Start-ups and new businesses borrowed more than $550 million, or 58 percent of the total loan value. The largest industry sector was accommodation and food services with 29 percent of the total loan value.

Businesses with less than $1 million in revenues received the most loans.

Businesses with annual revenues of up to $1 million accounted for 74 percent of the value of all loans made.

Businesses benefited from the increased maximum loan amount.

Of the total loans registered during the year, 11 percent (847 loans) were made for amounts of more than $250 000.

Lending is available in every province and territory.

Private sector lenders (banks, credit unions and Caisses populaires) are eligible to participate in the program to extend financing to small businesses in every province and territory.

Website continues to be popular.

The 264 221 recorded visits to the Canada Small Business Financing Program website, one of Industry Canada's most visited sites, illustrates the high level of interest in access to financing.

1. Overview of the CSBF Program

The purpose of the Canada Small Business Financing (CSBF) Program is to help small and medium-sized enterprises (SMEs) obtain access to financing that they may otherwise have difficulty in obtaining. By sharing the burden of risk on loans, the Government of Canada and private sector lenders are able to increase the amount of financing extended to small businesses.

Nature of the CSBF Program

The CSBF Program facilitates loans up to $500 000 (of which a maximum of $350 000 can be used to finance the purchase of equipment and leasehold improvements) made by lenders to SMEs in Canada. A loan registered under the program must satisfy certain requirements (see Section 2 "Key Program Parameters").

Loans under the program are available for the financing of real property and equipment and for leasehold improvements. The assets financed must be used to carry on business in Canada.

The Role of the Federal Government

Industry Canada administers the CSBF Program, registers loans, collects fees and pays lenders eligible portions of losses on defaulted loans. However, the CSBF Program does not approve the borrower loan applications and is not involved in the administration of the loans. By registering loans with the CSBF Program, lenders are entitled to submit claims to Industry Canada in the event of default.

The Role of Lenders

Lenders include chartered banks, credit unions and Caisses populaires. These lenders provide service to Canadians in all provinces and territories.

Lenders are responsible for all credit decisions, approving the loans, disbursing the loan proceeds, registering the loans with Industry Canada, administering the loans and, in the event of default, realizing on the security. Each lender establishes its own lending criteria subject to the requirements of the CSBF Program. Once the loan is approved, the funds that are advanced to the borrower are the funds of the lender and not the government.

How Lenders Are Compensated on Defaulted Loans

When a loan is in default, the lender must realize all security taken for the loan before forwarding its claim for loss to the CSBF Program, together with all the necessary documentation to justify the claim. Once the lender's information is analyzed and the claim is approved, the lender is paid 85 percent of its eligible loss. The claim can be adjusted or rejected if there is failure to comply with program requirements.

2. Key Program Parameters

The CSBF Program operates according to the following parameters.

Parameter	Definition
Small business eligibility	• for-profit Canadian businesses carried on in Canada • annual gross revenues of $5 million or less • excluded are farms and charitable or religious institutions
Assets financed	• equipment • real property or immovables • leasehold improvements • program registration fees
Maximum financing amount	A borrower cannot have more than $500 000 (of which a maximum of $350 000 can be used to finance the purchase or improvement of equipment and leasehold improvements) in total loans and capital leases outstanding under the CSBF Program.
Percentage of asset financed	The maximum amount of financing available is 90 percent of the eligible cost of the assets.
Maximum interest rate	• Floating rate: the maximum is the lender's prime rate plus 3 percent (includes the 1.25-percent administration fee) • Fixed rate: the maximum is the lender's single family residential mortgage rate plus 3 percent (includes the 1.25-percent administration fee)
Length of term	The maximum term for any loan is 10 years from the date the first principal payment is scheduled to be made.
Fees	• A fee of 2 percent of the amount financed is paid at the time of registration. This fee can be included in the CSBF loan. • An annual administration fee of 1.25-percent is paid on outstanding loan amounts. This fee may be included as part of the interest rate charged on loans.
Loss-sharing ratio	Eligible losses on loans are shared as follows: 85 percent government and 15 percent lender.
Cap on claims	For each five-year period commencing April 1, 1999, the Government of Canada's obligation to an individual lender is to pay eligible claims (i.e., 85 percent of the eligible losses) on defaulted loans up to a maximum of the aggregate of: • 90 percent of the first $250 000 in loans registered; plus • 50 percent of the next $250 000; plus • 12 percent of all loans in excess of $500 000 for loans made on or after April 1, 2009 (10 percent for loans made before April 1, 2009).

3. Program Objectives and Impacts

Incrementality

One of the key objectives of the CSBF Program is to increase the availability of financing for small businesses. This objective of extending financing that would have otherwise been unavailable, or would have only been available under less favourable terms (higher interest rates, greater collateral requirements, etc.), is commonly referred to as "incrementality." A 2009 study by Canada Works Limited, entitled *Canada Small Business Financing Program: Updated Analysis of Incrementality*, found that 80 to 85 percent of the loans made under the CSBF Program were financially incremental.

New businesses and start-ups have difficulty in accessing capital since they often lack both a credit history and the collateral needed to secure a loan.[1] Therefore, an indicator of incrementality is the number of start-ups and new businesses that receive loans. Over the 2009–10 period, these businesses borrowed on average 58 percent of the total loan value, another strong indicator that the program is achieving incrementality.

Cost Recovery

The other main objective of the program is cost recovery. This essentially refers to revenues generated by the program in the form of the 2-percent registration fees and the 1.25-percent administration fees received on the loans offsetting the total claims paid on those loans. Cost recovery does not include the salary and operating expenses for the program.

After each five-year lending period ends, lenders continue to pay the administration fees on loans registered in that lending period. Claim expenses on loans registered in any lending period also continue to be paid on defaulted loans. The table below is a summary of the revenues and expenses for each lending period.

Revenue and Expense Summary by Lending Period as at March 31, 2010

Fiscal Years	Revenues ($000)	Expenses ($000)	Cumulative Revenues and Expenses ($000)
1999–2004	288 097.7	414 078.9	(125 981.2)
2004–09	234 383.6	324 364.2	(89 980.6)
2009–10	24 803.1	12.8	24 790.3

Details of the revenue and claim expenses on a year-by-year basis are outlined in Tables 1a, 1b and 1c in the Appendix. The extent to which the program is meeting its objective of cost recovery is elaborated upon in the 2004–09 Comprehensive Review Report (see Section 7, "Second Comprehensive Review").

[1] Source: SME Financing Data Initiative, *Key Small Business Financing Statistics*, 2009.

Job Creation

On the loan registration form, borrowers provide the number of additional persons employed as a direct result of the loan. In 2009–10, borrowers estimated that loans helped their businesses create a total of 17 356 new jobs, or 2.3 jobs per loan. However, no firm conclusions can be reached on the basis of the borrowers' estimates since they may not reflect true job creation. A recent report, *Study of the Economic Costs and Benefits of the Canada Small Business Financing Program*, measured the impact of CSBF Program loans on employment for the years 1999–2008 and found that SMEs that used the CSBF Program created more jobs as a result of the loans and retained more employees than those SMEs that did not use the CSBF Program.

4. Program Performance Analysis

4.1 Program Activity

The Small Business Financing Directorate is responsible for the administration of the CSBF Program (loans component) and the Capital Leasing Pilot Project. The Directorate employed 35 full-time staff and operated with an annual budget of about $3.2 million. There were 5466 telephone, email and letter inquiries received through the info-line and website from small businesses and lenders. The program's website, one of the most visited websites at Industry Canada, received 264 221 visits. As well, more than 80 000 copies of the CSBF Program's pamphlet *Lending a hand to your business* were distributed. Collaborative efforts have been undertaken to promote the program through key industry sector associations and business support organizations that are well-suited to distribute information on government programs relevant to their members.

Lending and Claim Volumes

In 2009–10, the value of loans made under the CSBF Program by private sector lenders was more than $956.6 million, an increase of about $55 million (6 percent) from last year and a significant injection of new financing for SMEs (see Figure 1a). This rise in loan value is due in part to the increase in the maximum loan amount from $250 000 to $500 000, which came into effect on April 1, 2009. There were 847 loans made for amounts of more than $250 000. Loans numbered 7441, a decrease of 355 loans (5 percent) relative to the previous year. Average loan size increased by about 11 percent to $128 561. It took an average of less than two days to register loans. From 1999 to 2010, there have been 121 241 loans made under the CSBF Program with a value of over $11.3 billion.

In 2009–10, 1968 claims were paid with a value of $113.2 million, averaging $57 532 per claim. These claims were associated with defaulted loans registered during the 11-year period from 1999–2010 (see Figure 1b). The value of claims paid to lenders in 2009–10 rose approximately 12 percent from the previous year. The CSBF Program rejected 213 claims. For the Capital Leasing Pilot Project, 52 claims (85 percent) were accepted during 2009–10 and 9 claims were rejected. Provided all the necessary documentation was received from the lender, it took an average of 26 days to process a claim.

In 2009–10, the Directorate received 19 appeals of claim decisions. Each appeal is assessed on the basis of any additional information or clarifications. The Directorate accepted 1 appeal and rejected 13. As of March 31, 2010, five appeals remained to be completed.

Figure 1a: Number and Value of CSBF Loans, 1999–2010

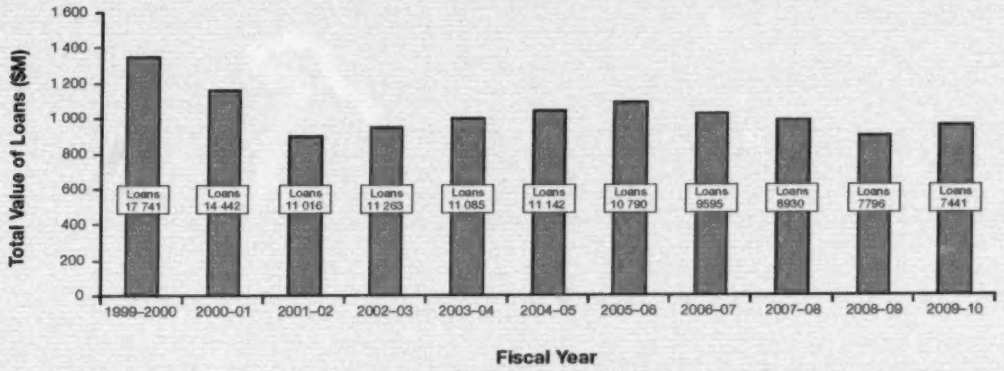
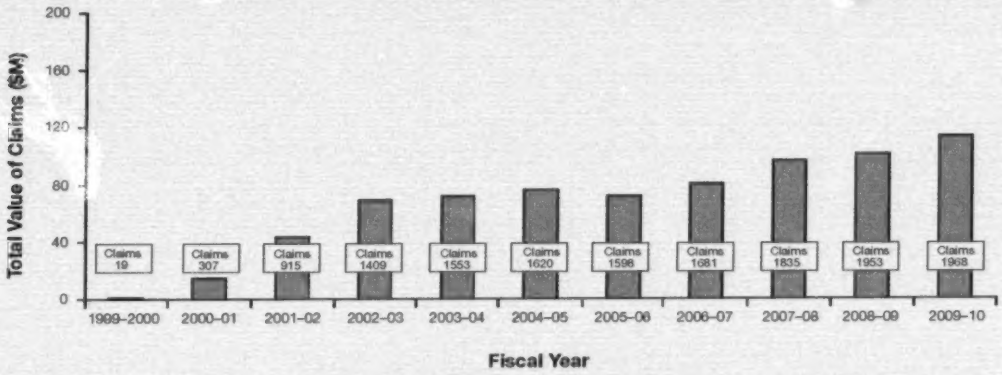


Figure 1b: Number and Value of CSBF Claims,* 1999–2010



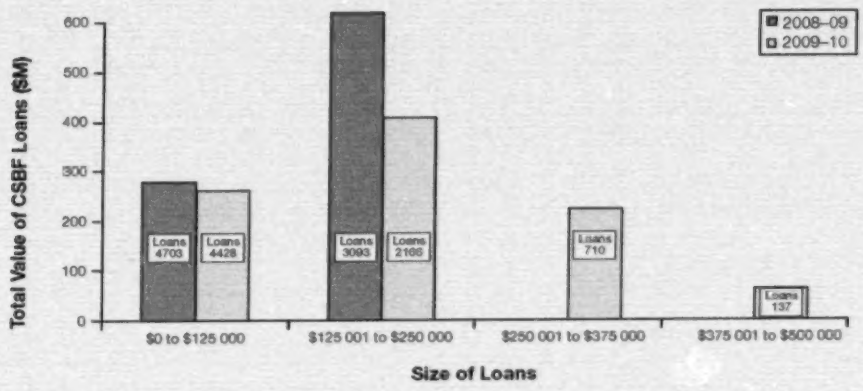
**The CSBF Program began on April 1, 1999. Claims are typically submitted within three to four years after loans are made. This explains the rising number of claims later in the life of the program.*

For further details, see the Appendix, Table 2.

Lending by Size of Loans

On April 1, 2009, the maximum loan amount was increased from $250 000 to $500 000. In 2009–10, there were 847 loans (11 percent) registered for amounts of more than $250 000 (see Figure 2 and the Appendix, Table 3). This contributed to an increase of about $55 million in the total value of loans and an increase of 11 percent in the average loan size. While no claims have yet been received on loans made with a value of more than $250 000, the impact of the change to the maximum loan amount will continue to be monitored.

Figure 2: Number and Value of CSBF Loans by Size of Loans, 2008–10



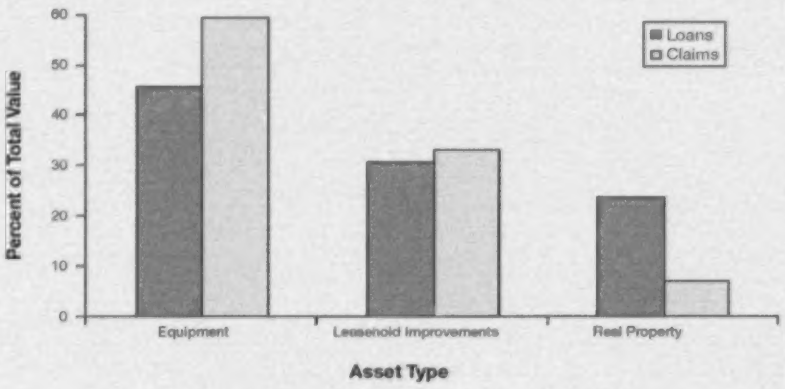
For further details, see the Appendix, Table 3.

Lending and Claims by Asset Type

Under the CSBF Program, small businesses may finance the purchase or improvement of equipment, real property and leasehold improvements. Figure 3 shows the distribution of the total value of CSBF Program loans and claims by asset type for 2009–10:

- Equipment accounted for the largest percentage of the total value of both loans (46 percent) and claims (60 percent). These percentages remained stable relative to last year.
- Leasehold improvements accounted for 31 percent of the total value of all loans and 33 percent of the total value of claims. Relative to last year, the percentage value of loans decreased slightly but the percentage of claims remained stable.
- Real property represented the smallest percentage of the total value of loans (23 percent) and the total value of claims (7 percent). In comparison to 2008–09, the percentage value of loans increased whereas the percentage of claims decreased.

Figure 3: Percent of Total Value of CSBF Loans and Claims by Asset Type, 2009–10



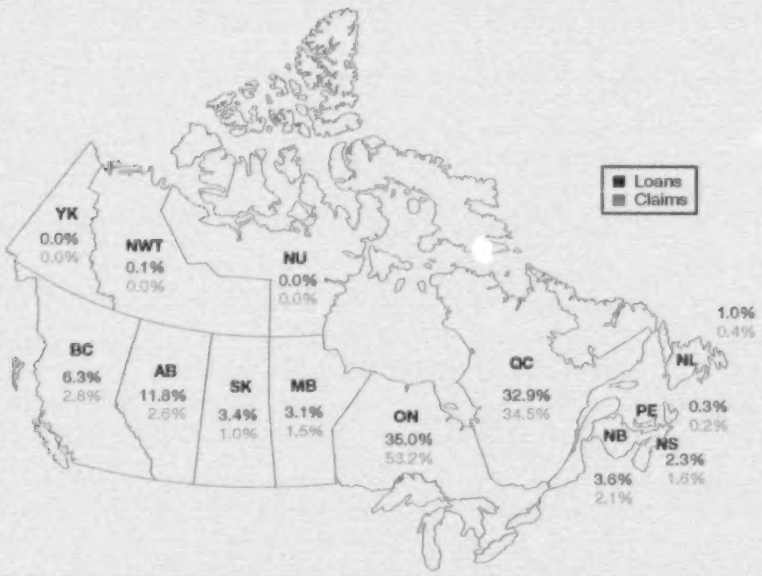
For further details, see the Appendix, Table 4.

Loans and Claims by Province and Territory

The CSBF Program serves small businesses through the large network of private sector lenders in Canada. The extent to which the program is used reflects the choices made by lenders and borrowers.

In 2009–10, the provinces of Quebec and Ontario, where the majority of all Canadian SMEs operate, accounted for the largest share of the loans made under the CSBF Program, with a total of $649 million or 68 percent of the value. These two provinces also accounted for $99 million or 88 percent of the total value of claims during 2009–10 (for further details, see Figure 4 and the Appendix, Table 5). Compared to 2008–09, the shares of loan and claim values by provinces and territories have remained stable.

Figure 4: Percent of Total Value of CSBF Loans and Claims by Province and Territory, 2009–10



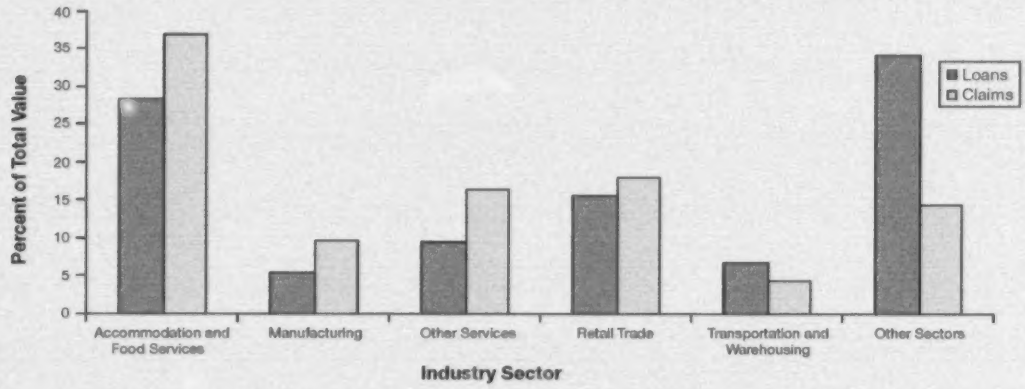
Lending and Claims by Industry Sector

In 2009–10, the following four industry sectors continue to be the main users of the CSBF Program by value of lending: accommodation and food services (29 percent), retail trade (16 percent), transportation and warehousing (7 percent), and manufacturing (6 percent).

During this reporting period, the value of claims paid to these sectors was as follows: accommodation and food services (37 percent), retail trade (18 percent), transportation and warehousing (4 percent), and manufacturing (10 percent).

These top four industry sectors together accounted for 58 percent of the total value of loans and 69 percent of the value of claims (see Figure 5).

Figure 5: Percent of Total Value of CSBF Loans and Claims by Industry Sector, 2009–10

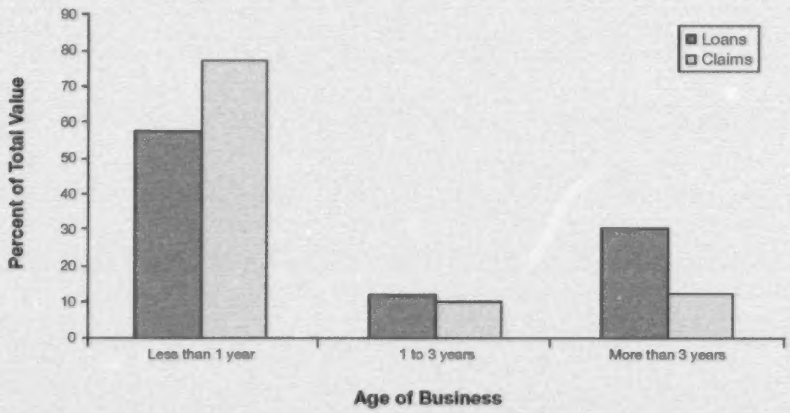


For further details, see the Appendix, Table 6.

Lending and Claims by Age of Business

In 2009–10, start-ups and new businesses borrowed $550.3 million or 58 percent of the total value of loans under the program (see Figure 6 and the Appendix, Table 7). These businesses accounted for $87.5 million or 77 percent of the claims during this same period. These percentages have been fairly constant since 1999.

Figure 6: Percent of Total Value of CSBF Loans and Claims by Age of Business, 2009–10



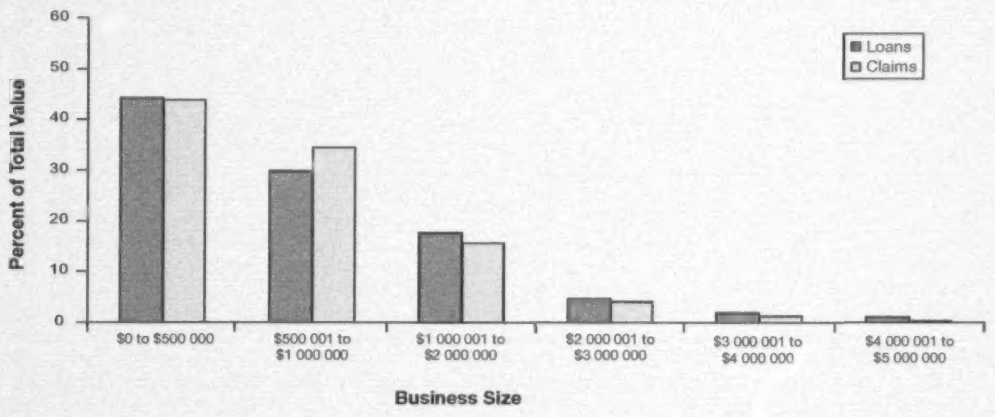
For further details, see the Appendix, Table 7.

Lending and Claims by Type and Size of Business

In 2009–10, non-franchise businesses accounted for 79 percent of the total value of loans and 82 percent of the value of claims. Franchise businesses accounted for 21 percent of the total value of loans and 18 percent of the total value of claims, both of which represent a slight decrease from the previous year. For more information, see Table 8 in the Appendix.

Businesses with annual revenues of up to $1 million accounted for 74 percent of the value of all loans made in 2009–10 (see Figure 7) and 79 percent of claims that were paid. This remains consistent with the 11-year trend.

Figure 7: Percent of Total Value of CSBF Loans and Claims by Business Size,* 2009–10



** Based on borrower's estimates at time of loan registration.*

For further details, see the Appendix, Table 9.

4.2 The Crown's Program Liability

To limit the Government of Canada's exposure to liability, the *Canada Small Business Financing Act* established a $1.5-billion liability ceiling during each consecutive five-year period for claims paid on defaulted loans. This maximum liability is calculated as the sum of the liability to each lender, per lending period, capped by the 90–50–10 formula (90–50–12 for loans made on or after April 1, 2009). This cap limits the Crown's payments with respect to any lender. See Section 2 "Key Program Parameters" for the calculation of this formula.

Contingent liability is the maximum amount of money that the government may be called upon to pay to lenders if all outstanding loans were to default simultaneously as at March 31, 2010. The contingent liability is calculated as the lesser of the maximum liability less reimbursement of losses by the government and 85 percent of the outstanding loan balance amount.

The following table outlines the maximum liability and contingent liability for the program for each five-year lending period from 1999–2010 as at March 31, 2010.

Fiscal Years	Maximum Liability ($000)	Contingent Liability ($000)
1999–2004	694 729.1	138 454.2
2004–09	662 850.1	353 337.6
2009–10	192 770.0	192 757.1

5. Capital Leasing Pilot Project

The Capital Leasing Pilot Project (CLPP) was discontinued on March 31, 2007, because research demonstrated that the marketplace was meeting the Canadian small business' capital leasing needs without government assistance. However, claims continue to be processed and administration fee revenues received on leases registered.

5.1 Revenues and Expenses

For the 2002–10 period, revenues totalled $6.3 million and total claim expenses were $7.9 million, resulting in a net cost of $1.6 million as at March 31, 2010. There were 61 claims processed in 2009–10 representing $2.7 million. For further information, see Table 10 in the Appendix.

5.2 The Crown's Program Liability

The maximum liability of the CLPP when it was discontinued was determined to be $15.7 million. As at March 31, 2010, the Crown's contingent liability was calculated at $7.9 million. Contingent liability is the maximum amount that the government may be called upon to pay to lessors if all leases were to default simultaneously. The contingent liability is the lesser of the maximum liability less reimbursement of losses by the government and 85 percent of the outstanding balance amounts of capital leases.

6. Examination of Program Compliance

Section 15 of the *Canada Small Business Financing Act* makes provision for the conduct of an audit or examination of the lender's documents, records and books of account to verify that the Act and the *Canada Small Business Financing Regulations* are being complied with in respect of a loan, including that the lender has exercised due diligence in the approval and administration of the loan.

In 2009–10, Industry Canada performed a series of on-site examinations of medium-sized lenders. The general objectives of these on-site examinations were to ensure:

- compliance with respect to the due diligence requirements of the Regulations in the approval of CSBF Program loans;
- payment of the 1.25-percent administration fee as per the Act and the Regulations;
- compliance with other aspects of the Act and the Regulations; and
- documentation in the CSBF Program loan file was accurate and complete.

The examination revealed that the selected lenders are generally aware of the Regulations' due diligence requirements in making loans. Lenders indicated that the on-site examination was helpful in reviewing and updating their procedures, practices and processes within their various branches.

7. Second Comprehensive Review

As required by the *Canada Small Business Financing Act*, a comprehensive review report of the CSBF Program was prepared in 2009–10 and tabled in Parliament on April 26, 2010. The comprehensive review, which examined the 2004–09 lending period, must be prepared every five years and tabled in Parliament within 12 months of the end of the lending period. The review helps Industry Canada monitor and assess the operational and financial performance of the CSBF Program.

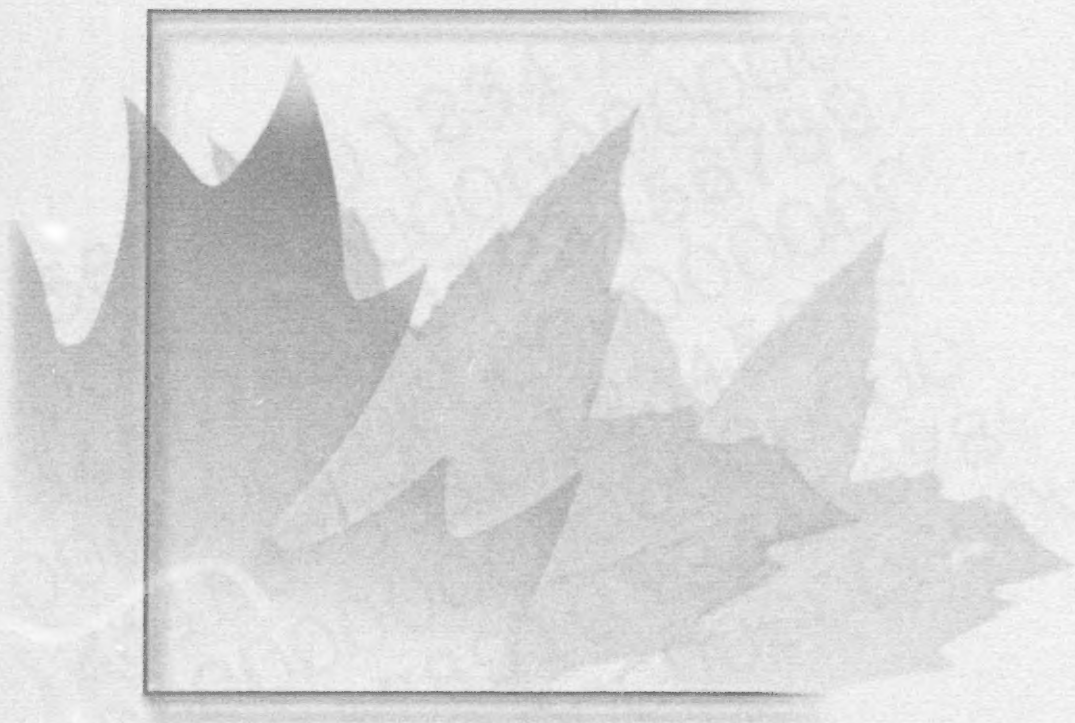
Key findings from the review included:

- there is an ongoing need for facilitated access to asset-based debt financing for small businesses, particularly for start-ups and businesses operating in higher risk sectors;
- CSBF Program loans were highly incremental (80–85 percent);
- a third-party cost-benefit analysis indicated significant net benefits to the Canadian economy;
- the CSBF Program is consistent with both Industry Canada and government-wide priorities;
- cost recovery has steadily declined in recent years; and
- there are no attractive alternatives to a federally managed program along the lines of the CSBF Program.

The report also acknowledged that a lack of awareness, administrative burden and lender profitability issues hinder the use of the CSBF Program. The Government of Canada consulted interested stakeholders in January 2009 with a view to addressing concerns surrounding the design and function of the program. Improvements in these areas are being pursued in order to strengthen and modernize the CSBF Program, thereby securing its continued success. The report is available at www.ic.gc.ca/csbfp.

Appendix

Canada Small Business Financing Act – Tables 1 to 9
Capital Leasing Pilot Project (CLPP) – Table 10



NOTE: Supplemental annual data for fiscal years 1999–2010 for all of the tables are available on the CSBF Program website at www.ic.gc.ca/csbfp.

Table 1a: Revenues and Expenses — Loans Made from April 1, 1999 to March 31, 2004 — CSBF Program

Fiscal year	Value of loans ($000)	Revenues* and expenses	Year associated fees were due and associated claims were received ($000)											Cumulative revenues and expenses ($000)
			1999–2000	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	
1999–2000	1 352 320.5	Fees	33 406.6	12 980.9	10 305.6	7 274.6	4 785.0	2 821.6	1 726.1	1 033.9	587.5	304.2		75 226.1
		Expenses	(494.6)	(14 258.3)	(33 482.9)	(32 250.9)	(17 261.3)	(8 954.4)	(4 043.5)	(1 855.6)	(950.7)	(478.4)	(214.1)	(114 244.7)
		Annual cash flow	32 912.0	(1 277.4)	(23 177.3)	(24 976.3)	(12 476.3)	(6 132.8)	(2 317.4)	(821.7)	(363.2)	(174.2)	(214.1)	(39 018.6)
2000–01	1 159 048.0	Fees		30 153.6	10 928.3	8 599.2	6 181.9	3 987.9	2 218.5	1 330.1	790.7	455.5	248.7	64 894.2
		Expenses		(510.7)	(9 641.2)	(28 589.5)	(28 592.6)	(18 355.8)	(6 908.0)	(3 838.5)	(1 809.8)	(562.0)	(428.0)	(99 236.0)
		Annual cash flow		29 642.8	1 287.1	(19 990.3)	(22 410.7)	(14 367.9)	(4 689.6)	(2 508.4)	(1 019.1)	(106.5)	(179.3)	(34 341.8)
2001–02	899 247.6	Fees			23 342.4	8 231.3	6 570.7	4 657.7	2 884.8	1 595.0	955.8	574.1	344.7	49 156.5
		Expenses			(320.2)	(7 569.1)	(18 089.6)	(19 614.8)	(8 116.7)	(5 651.0)	(2 782.0)	(1 073.6)	(900.3)	(64 117.2)
		Annual cash flow			23 022.1	662.2	(11 518.9)	(14 957.1)	(5 231.9)	(4 056.0)	(1 826.2)	(499.5)	(555.6)	(14 960.7)
2002–03	951 159.1	Fees				24 328.1	8 534.9	6 669.2	4 478.4	2 720.9	1 486.6	893.3	555.2	49 666.5
		Expenses				(381.8)	(7 426.4)	(19 959.3)	(16 664.3)	(8 477.6)	(5 432.4)	(2 506.2)	(1 866.5)	(62 714.4)
		Annual cash flow				23 946.3	1 108.5	(13 290.2)	(12 185.9)	(5 756.7)	(3 945.7)	(1 612.9)	(1 311.2)	(13 047.9)
2003–04	999 868.3	Fees					25 480.7	8 518.6	6 298.7	4 141.6	2 497.6	1 367.4	849.8	49 154.3
		Expenses					(292.8)	(8 837.8)	(24 261.5)	(19 332.9)	(11 245.3)	(6 721.8)	(3 074.4)	(73 766.5)
		Annual cash flow					25 187.9	(319.2)	(17 962.8)	(15 191.4)	(8 747.7)	(5 354.4)	(2 224.6)	(24 612.2)
Total	**5 361 643.4**	**Fees**	**33 406.6**	**43 134.5**	**44 576.2**	**48 433.2**	**51 553.2**	**26 654.9**	**17 606.4**	**10 821.5**	**6 318.2**	**3 594.5**	**1 998.4**	**288 097.7**
		Expenses	**(494.6)**	**(14 769.0)**	**(43 444.3)**	**(68 791.3)**	**(71 662.7)**	**(75 722.1)**	**(59 994.0)**	**(39 155.5)**	**(22 220.0)**	**(11 342.0)**	**(6 483.2)**	**(414 078.9)**
		Annual cash flow	**32 912.0**	**28 365.5**	**1 131.9**	**(20 358.0)**	**(20 109.5)**	**(49 067.2)**	**(42 387.6)**	**(28 334.0)**	**(15 901.9)**	**(7 747.5)**	**(4 484.8)**	**(125 981.2)**

** Revenues are composed of the 2-percent registration fees and the 1.25-percent administration fees.*

Table 1b: Revenues and Expenses — Loans Made from April 1, 2004 to March 31, 2009 — CSBF Program

Fiscal year	Value of loans ($000)	Revenues* and expenses	Year associated fees were due and associated claims were received ($000)						Cumulative revenues and expenses ($000)
			2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	
2004–05	1 041 066.0	Fees	27 165.8	10 233.7	8 076.8	5 827.7	3 898.2	2 229.3	57 431.5
		Expenses	(738.0)	(11 226.1)	(23 552.2)	(21 001.2)	(13 523.8)	(6 879.5)	(76 920.9)
		Annual cash flow	**26 427.8**	**(992.4)**	**(15 475.4)**	**(15 173.5)**	**(9 625.7)**	**(4 650.2)**	**(19 489.3)**
2005–06	1 087 701.8	Fees		28 380.6	10 345.6	8 127.5	5 950.9	3 843.8	56 648.4
		Expenses		(459.1)	(16 418.7)	(33 349.0)	(25 678.9)	(18 297.4)	(94 203.1)
		Annual cash flow		**27 921.5**	**(6 073.1)**	**(25 221.5)**	**(19 728.0)**	**(14 453.6)**	**(37 554.7)**
2006–07	1 024 536.5	Fees			26 525.9	9 418.2	7 507.7	5 198.7	48 650.6
		Expenses			(1 162.9)	(18 812.1)	(31 646.9)	(27 746.7)	(79 368.7)
		Annual cash flow			**25 363.0**	**(9 393.9)**	**(24 139.1)**	**(22 548.0)**	**(30 718.1)**
2007–08	987 662.6	Fees				25 375.1	8 904.7	6 792.2	41 072.0
		Expenses				(958.6)	(18 017.9)	(40 189.9)	(59 166.4)
		Annual cash flow				**24 416.5**	**(9 113.2)**	**(33 397.8)**	**(18 094.4)**
2008–09	901 178.6	Fees					23 039.2	7 541.8	30 581.0
		Expenses					(1 091.2)	(13 613.9)	(14 705.1)
		Annual cash flow					**21 948.0**	**(6 072.1)**	**15 875.9**
Total	**5 042 145.5**	**Fees**	**27 165.8**	**38 614.4**	**44 948.4**	**48 748.6**	**49 300.7**	**25 605.8**	**234 383.6**
		Expenses	**(738.0)**	**(11 685.2)**	**(41 133.8)**	**(74 121.0)**	**(89 958.7)**	**(106 727.5)**	**(324 364.2)**
		Annual cash flow	**26 427.8**	**26 929.1**	**3 814.5**	**(25 372.4)**	**(40 658.0)**	**(81 121.6)**	**(89 980.6)**

** Revenues are composed of the 2-percent registration fees and the 1.25-percent administration fees.*

Table 1c: Revenues and Expenses — Loans Made from April 1, 2009 to March 31, 2010 — CSBF Program

Fiscal year	Value of loans ($000)	Revenues* and expenses	Amount ($000)
2009–10	956 623.6	Fees	24 803.1
		Expenses	(12.8)
		Annual cash flow	**24 790.3**

** Revenues are composed of the 2-percent registration fees and the 1.25-percent administration fees.*

Table 2: Summary of Financial Activities per Fiscal Year — CSBF Program

Fiscal year	Loans			Revenues	Expenses		Net revenues less expenses ($000)
	Number	Value ($000)	Average size ($000)	Fees ($000)	Number of claims	Expenses ($000)	
1999–2000	17 741	1 352 320.5	76.2	33 406.6	19	494.6	32 912.0
2000–01	14 442	1 159 048.0	80.3	43 134.5	307	14 769.0	28 365.5
2001–02	11 016	899 247.6	81.6	44 576.2	915	43 444.3	1 131.9
2002–03	11 263	951 159.1	84.4	48 433.2	1 409	68 791.3	(20 358.0)
2003–04	11 085	999 868.3	90.2	51 553.2	1 553	71 662.7	(20 109.5)
2004–05	11 142	1 041 066.0	93.4	53 820.7	1 620	76 460.1	(22 639.4)
2005–06	10 790	1 087 701.8	100.8	56 220.8	1 598	71 679.3	(15 458.5)
2006–07	9 595	1 024 536.5	106.8	55 769.9	1 681	80 289.4	(24 519.5)
2007–08	8 930	987 662.6	110.6	55 066.8	1 835	96 341.1	(41 274.3)
2008–09	7 796	901 178.6	115.6	52 895.2	1 953	101 300.7	(48 405.5)
2009–10	7 441	956 623.6	128.6	52 407.3	1 968	113 223.5	(60 816.2)
Total	**121 241**	**11 360 412.5**	**93.7**	**547 264.4**	**14 858**	**738 455.9**	**(191 171.5)**

Table 3: Loans and Claims — by Size of Loans for 2009–10 — CSBF Program

Size of loans	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
$0 to $125 000	4 428	261 963.2	27.4	59.2	1 032	28 981.1	25.6	28.1
$125 001 to $250 000	2 166	408 036.3	42.7	188.4	936	84 242.4	74.4	90.0
$250 001 to $375 000	710	224 286.7	23.4	315.9				
$375 001 to $500 000	137	62 337.4	6.5	455.0				
Total*	**7 441**	**956 623.6**	**100.0**	**128.6**	**1 968**	**113 223.5**	**100.0**	**57.5**

** Totals may not add up due to rounding.*

Table 4: Loans and Claims — by Asset Type for 2009–10 — CSBF Program

Asset type*	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
Equipment	4 504	437 835.4	45.8	97.2	1 256	67 460.8	59.6	53.7
Leasehold improvements	1 877	293 352.8	30.7	156.3	569	37 583.9	33.2	66.1
Real property	1 060	225 435.4	23.6	212.7	143	8 178.8	7.2	57.2
Total**	**7 441**	**956 623.6**	**100.0**	**128.6**	**1 966**	**113 223.5**	**100.0**	**57.5**

** Since loans can be used for multiple purposes, a given loan was associated with the asset type having the highest value devoted to a specified purpose.*
*** Totals may not add up due to rounding.*

Table 5: Loans and Claims — by Province and Territory for 2009–10 — CSBF Program

Province or territory	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
Newfoundland and Labrador	107	9 663.3	1.0	90.3	16	507.5	0.4	31.9
Prince Edward Island	33	3 064.0	0.3	92.8	6	194.9	0.2	34.3
Nova Scotia	199	22 272.3	2.3	111.9	44	1 843.8	1.6	41.6
New Brunswick	298	34 871.3	3.6	117.0	59	2 354.4	2.1	39.8
Quebec	2 515	314 703.6	32.9	125.1	624	39 062.4	34.5	62.6
Ontario	2 263	334 740.4	35.0	147.9	1 004	60 244.6	53.2	60.0
Manitoba	301	29 395.3	3.1	97.7	28	1 690.2	1.5	59.5
Saskatchewan	348	32 909.4	3.4	94.6	34	1 180.9	1.0	34.6
Alberta	846	113 094.3	11.8	133.7	73	2 991.5	2.6	41.1
British Columbia	518	60 614.4	6.3	117.0	80	3 153.3	2.8	39.6
Yukon	4	233.0	0.0	58.2				
Northwest Territories	9	1 062.3	0.1	118.0				
Nunavut								
Total*	7 441	956 623.6	100.0	128.6	1 968	113 223.5	100.0	57.5

* *Totals may not add up due to rounding.*

Table 6: Loans and Claims — by Industry Sector for 2009–10 — CSBF Program

Industry sector	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
Accommodation and food services	1 581	272 475.5	28.5	172.3	596	41 880.6	37.0	70.3
Manufacturing	378	52 238.2	5.5	138.2	166	10 947.5	9.7	65.9
Other services	803	91 359.0	9.6	113.8	373	18 559.1	16.4	49.8
Retail trade	1 108	149 743.8	15.7	135.1	368	20 443.7	18.1	55.6
Transportation and warehousing	851	64 237.7	6.7	75.5	144	5 005.7	4.4	34.8
Other sectors*	2 720	326 569.4	34.1	120.1	321	16 387.0	14.5	51.0
Total**	**7 441**	**956 623.6**	**100.0**	**128.6**	**1 968**	**113 223.5**	**100.0**	**57.5**

* *Other sectors are the following: Administration and support; Waste management and remediation services; Agriculture (support activities); Forestry, fishing and hunting; Arts, entertainment and recreation; Construction; Educational service; Finance and insurance; Health care and social assistance; Information and cultural industries; Mining, and oil and gas extraction; Personal care services; Professional, scientific and technical services; Real estate and rental and leasing; Repair and maintenance services; Utilities; Wholesale.*

** *Totals may not add up due to rounding.*

Table 7: Loans and Claims — by Age of Business for 2009–10 — CSBF Program

Age of business	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
Less than 1 year	3 785	550 329.6	57.5	145.4	1 433	87 513.3	77.3	61.1
1 to 3 years	1 012	113 540.2	11.9	112.2	249	11 708.0	10.3	47.1
More than 3 years	2 644	292 753.7	30.6	110.7	286	14 002.1	12.4	48.9
Total*	**7 441**	**956 623.6**	**100.0**	**128.6**	**1 968**	**113 223.5**	**100.0**	**57.5**

** Totals may not add up due to rounding.*

Table 8: Loans and Claims — by Type of Operation for 2009–10 — CSBF Program

Type of operation	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
Franchises	1 211	205 172.7	21.4	169.4	310	20 053.0	17.7	64.6
Non-Franchises	6 230	751 450.9	78.6	120.6	1 658	93 170.5	82.3	56.2
Total*	**7 441**	**956 623.6**	**100.0**	**128.6**	**1 968**	**113 223.5**	**100.0**	**57.5**

** Totals may not add up due to rounding.*

Table 9: Loans and Claims — by Business Size for 2009–10 — CSBF Program

Business size (Annual revenues)*	Loans				Claims			
	Number	Value ($000)	Percent of total value	Average ($000)	Number	Value ($000)	Percent of total value	Average ($000)
$0 to $500 000	4 174	423 942.2	44.3	101.6	1 094	49 661.9	43.9	45.4
$500 001 to $1 000 000	1 832	285 814.8	29.9	156.0	542	39 198.7	34.6	72.3
$1 000 001 to $2 000 000	972	169 670.3	17.7	174.6	244	17 829.1	15.7	73.0
$2 000 001 to $3 000 000	275	46 361.1	4.8	168.6	62	4 631.3	4.1	74.1
$3 000 001 to $4 000 000	129	19 341.1	2.0	149.9	17	1 424.6	1.3	83.6
$4 000 001 to $5 000 000	59	11 494.2	1.2	194.8	8	478.0	0.4	60.1
Total**	**7 441**	**956 623.6**	**100.0**	**128.6**	**1 968**	**113 223.5**	**100.0**	**57.5**

** Based on borrower estimates at the time of loan registration.*
*** Totals may not add up due to rounding.*

Table 10: Summary of Financial Activities per Fiscal Year — CLPP

Fiscal year	Leases			Revenues	Expenses		Net revenues less expenses ($000)
	Number	Value ($000)	Average size ($000)	Fees* ($000)	Number of claims	Expenses ($000)	
2002–03	57	8 773.7	153.9	210.6			210.6
2003–04	124	16 208.5	130.7	480.2			480.2
2004–05	288	26 006.5	90.3	864.7	1	11.3	853.4
2005–06	441	37 977.7	86.1	1 351.3	17	503.7	847.6
2006–07	588	47 292.3	80.4	1 803.1	16	443.1	1 360.0
2007–08				831.0	36	688.9	142.1
2008–09				512.5	102	3 579.8	(3 067.3)
2009–10				256.5	61	2 685.9	(2 429.3)
Total**	**1 498**	**136 258.6**	**91.0**	**6 309.9**	**233**	**7 912.6**	**(1 602.7)**

** Fees are composed of the 2-percent registration fees and the 1.25-percent administration fees.*
*** Totals may not add up due to rounding.*